



## **TEXAS RACING COMMISSION**

**P. O. Box 12080  
Austin, TX 78711-2080  
(512) 833-6699  
Fax (512) 833-6907**

Texas Racing Commission  
Tuesday, February 9, 2016  
10:30 a.m.  
John H. Reagan Building  
105 W. 15th Street  
Austin, Texas 78701

## **AGENDA**

### **I. CALL TO ORDER**

Roll Call

### **II. PUBLIC COMMENT**

### **III. GENERAL BUSINESS**

Discussion, consideration, and possible action on the following matter:

#### **A. Election of the Vice Chair**

Discussion and consideration of the following matters:

#### **B. Reports by the Executive Director and Staff regarding Administrative Matters**

- 1) Budget and Finance Update
- 2) Report on Wagering Statistics
- 3) Inspection and Enforcement Reports
- 4) Recognition of the Texas Horsemen's Partnership as the Official Horsemen's Organization
- 5) Report on the Executive Director's Plan to Close the Agency in the Event that Additional Appropriations are not Approved

#### **IV. PROCEEDINGS ON RULEMAKING**

Discussion, consideration and possible action on the following matters:

A. Adoption of Amendments and Adoption of Repeals of Rules Related to Historical Racing as published in the January 1, 2016, edition of the *Texas Register*:

- 1) Adoption of Amendment to Rule 301.1, Definitions
- 2) Adoption of Amendment to Rule 303.31, Regulation of Racing
- 3) Adoption of Amendment to Rule 303.42, Approval of Charity Race Days
- 4) Adoption of Amendment to Rule 309.8, Racetrack License Fees
- 5) Adoption of Amendment to Rule 309.297, Purse Accounts
- 6) Adoption of Amendment to Rule 309.299, Horsemen's Representative
- 7) Adoption of Amendment to Rule 309.361, Greyhound Purse Account and Kennel Account
- 8) Adoption of Amendment to Rule 321.5, Pari-Mutuel Auditor
- 9) Adoption of Amendment to Rule 321.12, Time Synchronization
- 10) Adoption of Amendment to Rule 321.13, Pari-Mutuel Track Report
- 11) Adoption of Amendment to Rule 321.23, Wagering Explanations
- 12) Adoption of Amendment to Rule 321.25, Wagering Information
- 13) Adoption of Amendment to Rule 321.27, Posting of Race Results
- 14) Adoption of Repeal of Subchapter F, Regulation of Historical Racing, including the Repeal of the Following Rules:
  - a) Rule 321.701, Purpose
  - b) Rule 321.703, Historical Racing
  - c) Rule 321.705, Request to Conduct Historical Racing
  - d) Rule 321.707, Requirements for Operating a Historical Racing Totalisator System
  - e) Rule 321.709, Types of Pari-Mutuel Wagers for Historical Racing
  - f) Rule 321.711, Historical Racing Pools; Seed Pools
  - g) Rule 321.713, Deductions from Pari-Mutuel Pools
  - h) Rule 321.715, Contract Retention, Pari-Mutuel Wagering Record Retention
  - i) Rule 321.717, Effect of Conflict
  - j) Rule 321.719, Severability

## **V. EXECUTIVE SESSION**

The following items may be discussed and considered in executive session or open meeting and have action taken in the open meeting:

- A. Under Government Code Sec. 551.071(1), the Commission may open an executive session to seek the advice of its attorney regarding pending or contemplated litigation, or regarding a settlement offer.
- B. Under Government Code Sec. 551.071(2), the Commission may open an executive session to discuss all matters identified in this agenda where the commission seeks the advice of its attorney as privileged communications under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas. This may include, but is not limited to, legal advice regarding the Open Meetings Act, the Administrative Procedures Act, and the Texas Racing Act.
- C. Under Texas Racing Act, Tex. Rev. Civ. Stat. Ann. art. 179e, Sec. 6.03, the Commission may open an executive session to review security plans and management, concession, and totalisator contracts.

## **VI. SCHEDULING OF NEXT COMMISSION MEETING**

## **VII. ADJOURN**

# Texas Racing Commission

FYE 08/31/2016  
Operating Budget Status  
by LBB Expenditure Object/Codes

Strategy	Program Description	FY 2016 Annual Budget	FY 2016 Expended Thru 12/31/2015	FY 2016 Unexpended Bal 8/31/2016	With 33.3% of Year Lapsed % of Budget Expended
<b>Appropriated</b> A.1.1.	- FTE's = 4.50 <u>Regulate Racetrack Owners</u>				
Base Appr =	1001 Salaries and Wages	360,810.39	120,392.48	240,417.91	33.37%
\$ 359,315.00	1002 Other Personnel Cost	9,891.51	3,249.40	6,642.11	32.85%
Sup Appr =	2001 Prof Fees and Services	-	-	-	
\$ 8,218.11	2003 Consumables	-	-	-	
Total Appr =	2004 Utilities	-	-	-	
\$ 367,533.11	2005 Travel	9,250.00	982.20	8,267.80	10.62%
Budgeted =	2006 Rent Building	-	-	-	
\$ 387,021.32	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	7,069.42	1,485.20	5,584.22	21.01%
19,488.22	CB Computer Equipment	-	-	-	
5.42%	<b>Total Strategy A.1.1.</b>	<b>387,021.32</b>	<b>126,109.28</b>	<b>260,912.04</b>	<b>32.58%</b>
<b>Appropriated</b> A.2.1.	0 FTE's = 0 <u>Texas Bred Incentive</u>				
	ATB Money Expended	3,475,000.00	927,634.34	2,547,365.66	26.69%
3,475,000.00	<b>Total Strategy A.2.1.</b>	<b>3,475,000.00</b>	<b>927,634.34</b>	<b>2,547,365.66</b>	<b>26.69%</b>
<b>Appropriated</b> A.3.1.	(1.80) FTE's = 7.50 <u>Supervise Racing and Licensees</u>				
Base Appr =	1001 Salaries and Wages	447,802.74	181,794.21	266,008.53	40.60%
\$ 690,724.00	1002 Other Personnel Cost	62,923.82	7,833.10	55,090.72	12.45%
Sup Appr =	2001 Prof Fees and Services	9,000.00	8,262.02	737.98	91.80%
\$ 9,178.35	2003 Consumables	-	-	-	-
Total Appr =	2004 Utilities	-	-	-	
\$ 699,902.35	2005 Travel	53,000.00	1,440.10	51,559.90	2.72%
Budgeted =	2006 Rent Building	-	-	-	
\$ 586,489.69	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	13,763.12	1,524.00	12,239.12	11.07%
(113,412.66)	CB Computer Equipment	-	-	-	
-16.42%	<b>Total Strategy A.3.1.</b>	<b>586,489.69</b>	<b>200,853.43</b>	<b>385,636.26</b>	<b>34.25%</b>
<b>Appropriated</b> A.3.2.	- FTE's = 3.30 <u>Monitor Occupational Licensee Act.</u>				
Base Appr =	1001 Salaries and Wages	182,183.65	56,892.84	125,290.81	31.23%
\$ 245,602.00	1002 Other Personnel Cost	18,218.37	5,689.29	12,529.08	31.23%
Sup Appr =	2001 Prof Fees and Services	1,000.00	35.00	965.00	3.50%
\$ -	2003 Consumables	2,500.00	-	2,500.00	0.00%
Total Appr =	2004 Utilities	-	-	-	
\$ 245,602.00	2005 Travel	38,199.98	4,099.94	34,100.04	10.73%
Budgeted =	2006 Rent Building	-	-	-	
\$ 245,602.00	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	3,500.00	222.18	3,277.82	6.35%
\$ (0.00)	CB Computer Equipment	-	-	-	
0.00%	<b>Total Strategy A.3.2.</b>	<b>245,602.00</b>	<b>66,939.25</b>	<b>178,662.75</b>	<b>27.26%</b>
<b>Appropriated</b> A.4.1.	0.05 FTE's = 3.15 <u>Inspect and Provide Emerg. Care</u>				
Base Appr =	1001 Salaries and Wages	225,269.80	69,190.84	156,078.96	30.71%
\$ 340,949.00	1002 Other Personnel Cost	12,939.49	2,449.21	10,490.28	18.93%
Sup Appr =	2001 Prof Fees and Services	85,000.00	7,969.00	77,031.00	9.38%
\$ 5,293.32	2003 Consumables	-	-	-	
Total Appr =	2004 Utilities	-	-	-	
\$ 346,242.32	2005 Travel	24,100.00	7,388.38	16,711.62	30.66%
Budgeted =	2006 Rent Building	-	-	-	
\$ 353,653.59	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	6,344.29	1,254.99	5,089.30	19.78%
\$ 7,411.26	CB Computer Equipment	-	-	-	
2.17%	<b>Total Strategy A.4.1.</b>	<b>353,653.59</b>	<b>88,252.42</b>	<b>265,401.17</b>	<b>24.95%</b>

# Texas Racing Commission

FYE 08/31/2016  
Operating Budget Status  
by LBB Expenditure Object/Codes

Strategy	Program Description	FY 2016 Annual Budget	FY 2016 Expended Thru 12/31/2015	FY 2016 Unexpended Bal 8/31/2016	With 33.3% of Year Lapsed % of Budget Expended
<b>Appropriated</b> A.4.2.	(0.55) FTE's = 3.75 <u>Administer Drug Testing</u>				
Base Appr =	1001 Salaries and Wages	205,374.80	87,191.61	118,183.19	42.45%
\$ 283,998.00	1002 Other Personnel Cost	21,778.37	1,529.77	20,248.60	7.02%
Sup Appr =	2001 Prof Fees and Services	-	-	-	
\$ 4,917.68	2003 Consumables	-	-	-	
Total Appr =	2004 Utilities	-	-	-	
\$ 288,915.68	2005 Travel	23,500.00	1,894.17	21,605.83	8.06%
Budgeted =	2006 Rent Building	-	-	-	
\$ 257,369.42	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	6,716.25	682.91	6,033.34	10.17%
\$ (31,546.26)	CB Computer Equipment	-	-	-	
-11.11%	Total Strategy A.4.2.	257,369.42	91,298.46	166,070.96	35.47%
<b>Appropriated</b> B.1.1.	- FTE's = 7.10 <u>Occupational Licensing</u>				
Base Appr =	1001 Salaries and Wages	259,474.00	81,919.35	177,554.65	31.57%
\$ 512,164.00	1002 Other Personnel Cost	9,537.37	3,867.57	5,669.80	40.55%
Sup Appr =	2001 Prof Fees and Services	-	250.00	(250.00)	
\$ 6,325.58	2003 Consumables	5,000.00	190.46	4,809.54	3.81%
Total Appr =	2004 Utilities	-	-	-	
\$ 518,489.58	2005 Travel	26,954.43	5,260.65	21,693.78	19.52%
Budgeted =	2006 Rent Building	-	-	-	
\$ 496,884.54	2007 Rent Machine	4,000.00	1,772.74	2,227.26	44.32%
Difference	2009 Other Operating Cost	191,918.74	24,384.79	167,533.95	12.71%
\$ (21,605.04)	CB Computer Equipment	-	-	-	
-4.22%	Total Strategy B.1.1.	496,884.54	117,645.56	379,238.98	23.68%
<b>Appropriated</b> B.1.2.	- FTE's = 0 <u>Texas OnLine</u>				
Base Appr =	1001 Salaries and Wages	-	-	-	
\$ 22,500.00	1002 Other Personnel Cost	-	-	-	
Sup Appr =	2001 Prof Fees and Services	-	-	-	
\$ -	2003 Consumables	-	-	-	
Total Appr =	2004 Utilities	-	-	-	
\$ 22,500.00	2005 Travel	-	-	-	
Budgeted =	2006 Rent Building	-	-	-	
\$ 22,500.00	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	22,500.00	3,758.00	18,742.00	16.70%
\$ -	CB Computer Equipment	-	-	-	
0.00%	Total Strategy B.1.2.	22,500.00	3,758.00	18,742.00	16.70%
<b>Appropriated</b> C.1.1.	(0.30) FTE's = 4.50 <u>Monitor Wagering and Audit</u>				
Base Appr =	1001 Salaries and Wages	250,217.94	90,872.64	159,345.30	36.32%
\$ 326,775.00	1002 Other Personnel Cost	16,313.26	2,848.29	13,464.97	17.46%
Sup Appr =	2001 Prof Fees and Services	-	-	-	
\$ 6,102.88	2003 Consumables	1,000.00	-	1,000.00	0.00%
Total Appr =	2004 Utilities	-	-	-	
\$ 332,877.88	2005 Travel	20,000.00	3,031.03	16,968.97	15.16%
Budgeted =	2006 Rent Building	-	-	-	
\$ 312,387.94	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	24,856.74	3,197.94	21,658.80	12.87%
\$ (20,489.94)	CB Computer Equipment	-	-	-	
-6.27%	Total Strategy C.1.1.	312,387.94	99,949.90	212,438.04	32.00%

# Texas Racing Commission

FYE 08/31/2016  
Operating Budget Status  
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Strategy	Program Description	FY 2016 Annual Budget	FY 2016 Expended Thru 12/31/2015	FY 2016 Unexpended Bal 8/31/2016	With 33.3% of Year Lapsed % of Budget Expended
<b>Appropriated</b> <b>C.1.2.</b>	- FTE's = 3.00 <u>Wagering &amp; Compliance Inspections</u>				
Base Appr =	1001 Salaries and Wages	146,425.23	48,808.36	97,616.87	33.33%
\$ 167,211.00	1002 Other Personnel Cost	3,912.13	1,284.04	2,628.09	32.82%
Sup Appr =	2001 Prof Fees and Services	-	-	-	
\$ 3,571.35	2003 Consumables	1,000.00	-	1,000.00	0.00%
Total Appr =	2004 Utilities	-	-	-	
\$ 170,782.35	2005 Travel	16,000.00	4,377.65	11,622.35	27.36%
Budgeted =	2006 Rent Building	-	-	-	
\$ 169,701.61	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	2,364.25	558.66	1,805.59	23.63%
\$ (1,080.74)	CB Computer Equipment	-	-	-	
<b>-0.65%</b>	<b>Total Strategy C.1.2.</b>	<b>169,701.61</b>	<b>55,028.71</b>	<b>114,672.90</b>	<b>32.43%</b>
<b>Appropriated</b> <b>D.1.1.</b>	- FTE's = 7.00 <u>Central Administration</u>				
Base Appr =	1001 Salaries and Wages	449,493.94	145,468.35	304,025.59	32.36%
\$ 742,938.00	1002 Other Personnel Cost	32,707.47	6,694.03	26,013.44	20.47%
Sup Appr =	2001 Prof Fees and Services	16,500.00	4,979.50	11,520.50	30.18%
\$ 9,190.18	2003 Consumables	12,500.00	2,951.89	9,548.11	23.62%
Total Appr =	2004 Utilities	58,000.00	11,279.98	46,720.02	19.45%
\$ 752,128.18	2005 Travel	16,500.00	1,933.30	14,566.70	11.72%
Budgeted =	2006 Rent Building	86,250.00	35,835.60	50,414.40	41.55%
\$ 752,128.18	2007 Rent Machine	-	332.75	(332.75)	
Difference	2009 Other Operating Cost	80,176.77	29,862.75	50,314.02	37.25%
\$ (0.00)	CB Computer Equipment	-	-	-	0.00%
<b>0.00%</b>	<b>Total Strategy D.1.1.</b>	<b>752,128.18</b>	<b>239,338.15</b>	<b>512,790.03</b>	<b>31.82%</b>
<b>Appropriated</b> <b>D.1.2.</b>	- FTE's = 4.80 <u>Information Resources</u>				
Base Appr =	1001 Salaries and Wages	320,927.16	96,214.35	224,712.81	29.98%
\$ 514,024.00	1002 Other Personnel Cost	12,967.37	15,936.44	(2,969.07)	122.90%
Sup Appr =	2001 Prof Fees and Services	56,000.00	8,005.00	47,995.00	14.29%
\$ 6,322.30	2003 Consumables	12,000.00	80.81	11,919.19	0.67%
Total Appr =	2004 Utilities	1,200.00	-	1,200.00	0.00%
\$ 520,346.30	2005 Travel	2,500.00	917.92	1,582.08	36.72%
Budgeted =	2006 Rent Building	2,700.00	148.00	2,552.00	5.48%
\$ 520,346.29	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	112,051.76	39,593.44	72,458.32	35.33%
\$ (0.00)	CB Computer Equipment	-	-	-	
<b>0.00%</b>	<b>Total Strategy D.1.2.</b>	<b>520,346.29</b>	<b>160,895.96</b>	<b>359,450.33</b>	<b>30.92%</b>
<b>Appropriated</b> <b>D.1.3.</b>	<b>(2.60) FTE's = 48.60</b> <u>Other Support Services</u>				
Base Appr =	1001 Salaries and Wages	-	-	-	
\$ 7,681,200.00	1002 Other Personnel Cost	-	-	-	
Sup Appr =	2001 Prof Fees and Services	-	-	-	
\$ 59,119.74	2003 Consumables	-	-	-	
Total Appr =	2004 Utilities	-	-	-	
\$ 7,740,319.74	2005 Travel	-	-	-	
Budgeted =	2006 Rent Building	-	-	-	
\$ 7,579,084.57	2007 Rent Machine	-	-	-	
Difference	2009 Other Operating Cost	-	-	-	
\$ (161,235.17)	CB Computer Equipment	-	-	-	
<b>-2.10%</b>	<b>Total Strategy D.1.3.</b>	<b>-</b>	<b>-</b>	<b>-</b>	
\$ 4,265,320	Regulatory Program Operating Budget	4,104,084.57	1,250,069.12	2,854,015.45	30.46%
\$ 3,475,000	TX Bred Program Operating Budget	3,475,000.00	927,634.34	2,547,365.66	26.69%
\$ 7,740,320	Total M.O.F. (TXRC Acct. 597 & GR)	7,579,084.57	2,177,703.46	5,401,381.11	28.73%
	Total All Programs Operating Budget				

# Texas Racing Commission

FYE 08/31/2016  
Operating Budget Status  
by LBB Expenditure Object/Codes

Strategy	Program Description	FY 2016 Annual Budget	FY 2016 Expended Thru 12/31/2015	FY 2016 Unexpended Bal 8/31/2016	With 33.3% of Year Lapsed % of Budget Expended
\$ - <i>Appropriated</i>	(2.60) FTE's = 48.60 <u>Direct Expense of Regulatory Programs</u>				
	1001 Salaries and Wages	2,847,979.65	978,745.03	1,869,234.62	34.37%
	1002 Other Personnel Cost	201,189.16	51,381.14	149,808.02	25.54%
	2001 Prof Fees and Services	167,500.00	29,500.52	137,999.48	17.61%
	2003 Consumables	34,000.00	3,223.16	30,776.84	9.48%
	2004 Utilities	59,200.00	11,279.98	47,920.02	19.05%
	2005 Travel	230,004.41	31,325.34	198,679.07	13.62%
	2006 Rent Building	88,950.00	35,983.60	52,966.40	40.45%
	2007 Rent Machine	4,000.00	2,105.49	1,894.51	52.64%
	2009 Other Operating Cost	471,261.35	106,524.86	364,736.49	22.60%
	CB Computer Equipment	-	-	-	0.00%
\$ 4,265,320	Total Direct Expense of Regulatory Program	4,104,084.57	1,250,069.12	2,854,015.45	30.46%
\$ 3,475,000	FTE's = - Direct Expense of TX Bred Program	3,475,000.00	927,634.34	2,547,365.66	26.69%
\$ 7,740,320	(2.60) FTE's = 48.60 Total Direct Expense of All Programs	7,579,084.57	2,177,703.46	5,401,381.11	28.73%
\$ - <i>Un-Appropriated</i>	<u>Indirect Expense of All Programs</u>				
	OASI Match	218,367.69	75,264.39	143,103.30	34.47%
	Group Insurance	299,720.36	97,769.64	201,950.72	32.62%
	State Retirement	236,222.16	81,415.80	154,806.36	34.47%
	Benefit Replacement	9,700.00	2,998.19	6,701.81	30.91%
	ERS Retiree Insurance	275,000.00	108,888.10	166,111.90	39.60%
	SWCAP GR Reimburse	30,000.00	21,914.00	8,086.00	73.05%
	Unemployment Cost	10,000.00	-	10,000.00	0.00%
	Other	-	-	-	
\$ 1,079,010	Total Indirect Expense of All Programs	1,079,010.21	388,250.12	690,760.09	35.98%
\$ 8,819,330	Total Direct and Indirect Expense of All Programs	8,658,094.78	2,565,953.58	6,092,141.20	29.64%

Source Of Funds	Agency Method Of Finance	FY 2016 Projected Revenue	FY 2016 Actual Revenue Thru 12/31/2015	N/A	With 33.3% of Year Lapsed % of Revenue Collected
	<b><u>Regulatory Program MOF:</u></b>				
Acct. 597	Cash Balance Carry Forward	\$ 750,000.00	\$ 750,000.00		n/a
Acct. 597	Live Race Day Fees	\$ -	\$ -		
Acct. 597	Simulcast Race Day Fees	\$ -	\$ -		
Acct. 597	Annual License Fees (Active & Inactive)	\$ 4,183,750.00	\$ 1,567,077.30		37.46%
Acct. 597	Outs	\$ -	\$ -		
Acct. 597	Occupational License Fees and Fines	\$ 747,458.00	\$ 171,304.50		22.92%
Acct. 597	Other Revenue	\$ 23,867.00	\$ 8,426.22		35.30%
Acct. 1	GR Funds	\$ -	\$ -		
	<b>Sub-Total Regulatory Prgm. MOF</b>	\$ 5,705,075.00	\$ 2,496,808.02		43.76%
	<b><u>Texas Bred Program MOF:</u></b>				
Acct. 597	Cash Balance Carry Forward	\$ -	\$ -		
Acct. 597	Breakage and 1% Exotic	\$ 3,475,000.00	\$ 927,634.34		26.69%
Acct. 597	Other	\$ -	\$ -		
	<b>Sub-Total Texas Bred Prgm. MOF</b>	\$ 3,475,000.00	\$ 927,634.34		26.69%
All Sources	<b>Total MOF</b>	\$ 9,180,075.00	\$ 3,424,442.36		37.30%
<b>MOF Estimated to Exceed or (Fall-Short of Covering) Direct &amp; Indirect Expenses of Operating Budget</b>		\$ 521,980.22	\$ 858,488.78		



# Fiscal Year 2016 Operational Budget

Updated: January 13, 2016  
Thru: December 31, 2015

## Summary of Operating Revenue

By Revenue Type:	Budget	Collected	Suspended	Uncollected Balance	%
<b>Account 597 - Racing Commission - GRD</b>	\$ 9,180,075	\$ 3,424,442	\$ -	\$ 5,755,633	63%
<b>Account 1 - State of Texas - GR</b>	\$ -	\$ -	\$ -	\$ -	
<b>TOTAL - ALL REVENUES</b>	\$ 9,180,075	\$ 3,424,442	\$ -	\$ 5,755,633	63%

## Summary of Appropriated Operating Expenses

	Budget	Expended	Encumbered	Unexpended Balance	%
<b>1001 - Salaries and Wages:</b>	\$ 2,847,980	\$ 978,745	\$ -	\$ 1,869,235	66%
<b>1002 - Other Personnel Cost:</b>	\$ 201,189	\$ 51,381	\$ -	\$ 149,808	74%
<b>2001 - Professional Fees and Services:</b>	\$ 167,500	\$ 29,501	\$ -	\$ 137,999	82%
<b>2003 - Consumable Supplies:</b>	\$ 34,000	\$ 3,223	\$ -	\$ 30,777	91%
<b>2004 - Utilities:</b>	\$ 59,200	\$ 11,280	\$ -	\$ 47,920	81%
<b>2005 - Travel:</b>	\$ 230,004	\$ 31,325	\$ -	\$ 198,679	86%
<b>2006 - Rent Building:</b>	\$ 88,950	\$ 35,984	\$ -	\$ 52,966	60%
<b>2007 - Rent Machine and Other:</b>	\$ 4,000	\$ 2,105	\$ -	\$ 1,895	47%
<b>2009 - Other Operating Expense:</b>	\$ 471,261	\$ 106,525	\$ -	\$ 364,736	77%
<b>4000 - Grants</b>	\$ 3,475,000	\$ 927,634	\$ -	\$ 2,547,366	73%
<b>5000 - Capital Expenditures:</b>	\$ -	\$ -	\$ -	\$ -	0%
<b>TOTAL - ALL APPROPRIATED EXPENDITURES</b>	\$ 7,579,085	\$ 2,177,703	\$ -	\$ 5,401,381	71%

## Unappropriated Operating Expenses

Type:	Budget	Expended	Encumbered	Unexpended Balance	%
<b>TOTAL - ALL UNAPPROPRIATED EXPENDITURES</b>	\$ 1,079,010	\$ 388,250	\$ -	\$ 690,760	64%
<b>TOTAL - ALL EXPENDITURES</b>	\$ 8,658,095	\$ 2,565,954	\$ -	\$ 6,092,141	70%

## OPERATING SURPLUS / (DEFICIT)

	\$ 521,980	\$ 858,489
--	------------	------------

## Summary of FTE's

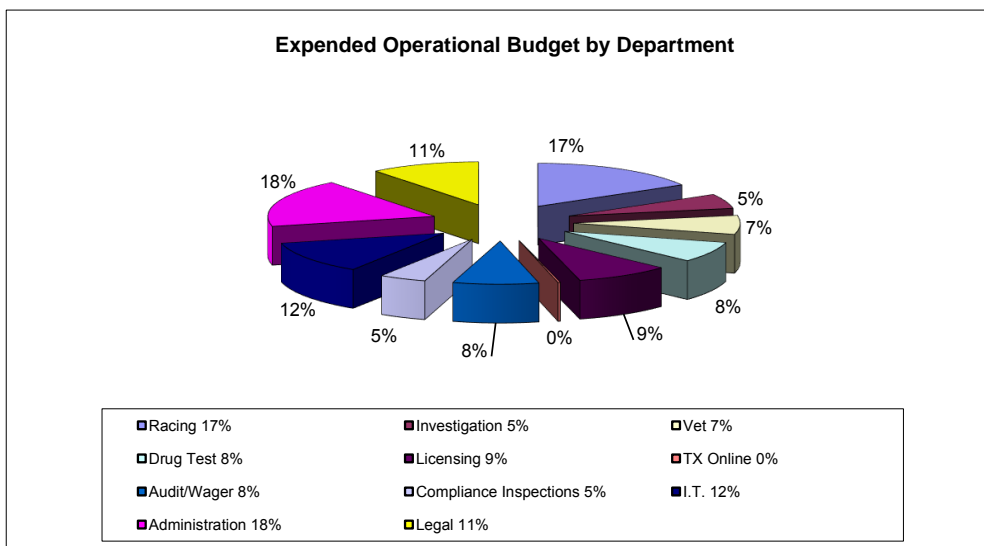
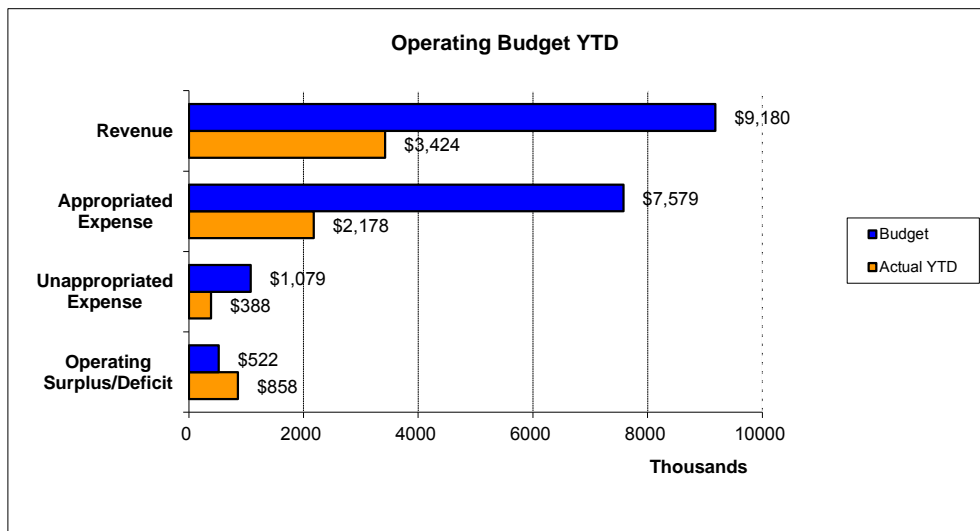
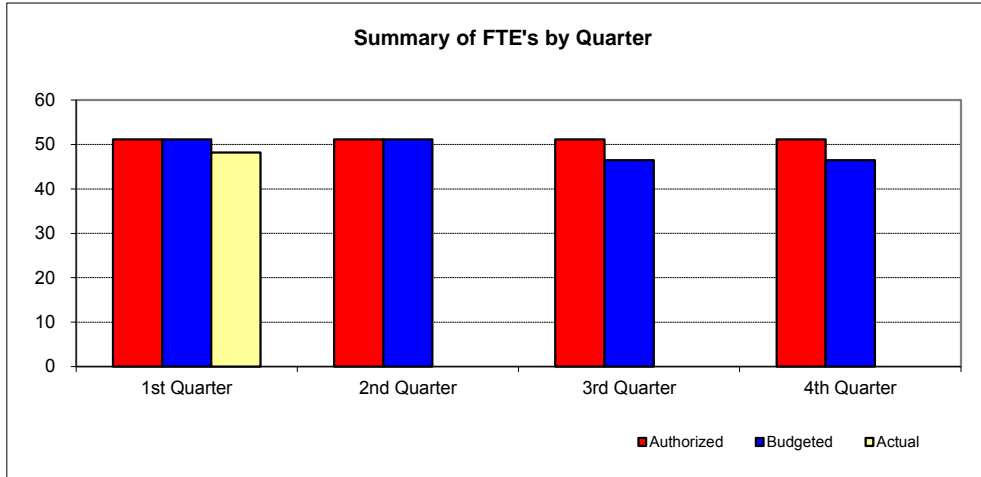
By Fiscal Quarter:	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Authorized FTE's	51.20	51.20	51.20	51.20
Budgeted FTE's	51.20	51.20	46.50	46.50
Actual FTE's	48.20	0.00	0.00	0.00
<b>Actual FTE's Over / (Under) Budget</b>	(3.00)	n/a	n/a	n/a
<b>Actual FTE's Over / (Under) Authorization</b>	(3.00)	n/a	n/a	n/a





# **Fiscal Year 2016 Operational Budget**

Updated: January 13, 2016  
Thru: December 31, 2015



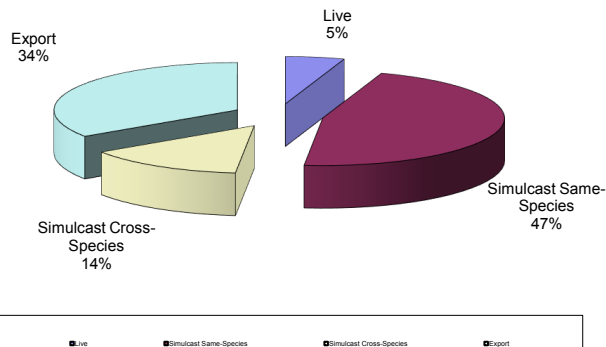


**Texas Pari-Mutuel Racetracks Wagering Statistics  
Comparison Report on Total Wagers Placed  
in Texas & on Texas Races**

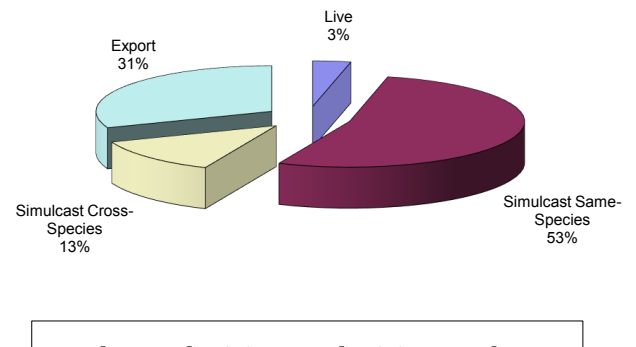
For the Period: 01/01/15 - 01/31/15 to 01/01/16 -01/31/16

Sources of Wagers		Year 2015 01/01 - 01/31		Year 2016 01/01/ -01/31		Percentage Change In		
<u>Greyhound Racetracks</u>	<u># Days</u>	<u>Total Wagers</u>	<u>Avg. Wager</u>	<u># Days</u>	<u>Total Wagers</u>	<u>Avg. Wager</u>	<u>Total Wagers</u>	<u>Avg. Wagers</u>
Live	22	522,820	\$ 23,765	0	0	N/A	N/A	N/A
Simulcast Same-Species	81	2,578,765	\$ 31,837	82	2,151,641	\$ 26,240	-16.56%	-17.58%
Simulcast Cross-Species	81	1,746,483	\$ 21,562	82	1,725,119	\$ 21,038	-1.22%	-2.43%
Export	22	<u>896,364</u>	<u>\$ 40,744</u>	0	<u>0</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<u>Total Wagers</u>		5,744,432	N/A		3,876,760	N/A	-32.51%	N/A
Sources of Wagers		Year 2015 01/01 - 01/31		Year 2016 01/01/ -01/31		Percentage Change In		
<u>Horse Racetracks</u>	<u># Days</u>	<u>Total Wagers</u>	<u>Avg. Wager</u>	<u># Days</u>	<u>Total Wagers</u>	<u>Avg. Wager</u>	<u>Total Wagers</u>	<u>Avg. Wagers</u>
Live	5	1,348,082	\$ 269,616	10	1,245,682	\$ 124,568	-7.60%	-53.80%
Simulcast Same-Species	112	14,134,588	\$ 126,202	111	16,751,948	\$ 150,918	18.52%	19.59%
Simulcast Cross-Species	112	3,283,020	\$ 29,313	112	2,748,686	\$ 24,542	-16.28%	-16.28%
Export	5	<u>11,484,170</u>	<u>\$ 2,296,834</u>	10	<u>10,986,363</u>	<u>\$ 1,098,636</u>	<u>N/A</u>	<u>-52.17%</u>
<u>Total Wagers</u>		30,249,860	N/A		31,732,678	N/A	4.90%	N/A
Sources of Wagers		Year 2015 01/01 - 01/31		Year 2016 01/01/ -01/31		Percentage Change In		
<u>All Texas Racetracks</u>	<u># Days</u>	<u>Total Wagers</u>	<u>Avg. Wager</u>	<u># Days</u>	<u>Total Wagers</u>	<u>Avg. Wager</u>	<u>Total Wagers</u>	<u>Avg. Wagers</u>
Live	27	1,870,903	\$ 69,293	10	1,245,682	\$ 124,568	-33.42%	79.77%
Simulcast Same-Species	193	16,713,353	\$ 86,598	193	18,903,589	\$ 97,946	13.10%	13.10%
Simulcast Cross-Species	193	5,029,503	\$ 26,060	194	4,473,804	\$ 23,061	-11.05%	-11.51%
Export	27	<u>12,380,534</u>	<u>\$ 458,538</u>	10	<u>10,986,363</u>	<u>\$ 1,098,636</u>	<u>-11.26%</u>	<u>139.60%</u>
<u>Total Wagers</u>		35,994,292	N/A		35,609,438	N/A	-1.07%	N/A
<u>Total Wagers Placed in Texas</u>		23,613,759	N/A		24,623,075	N/A	4.27%	N/A
<u>Total Wagers Placed on Texas Races</u>		14,251,436	N/A		12,232,045	N/A	-14.17%	N/A

**2015 Wagers by Source**



**2016 Wagers by Source**



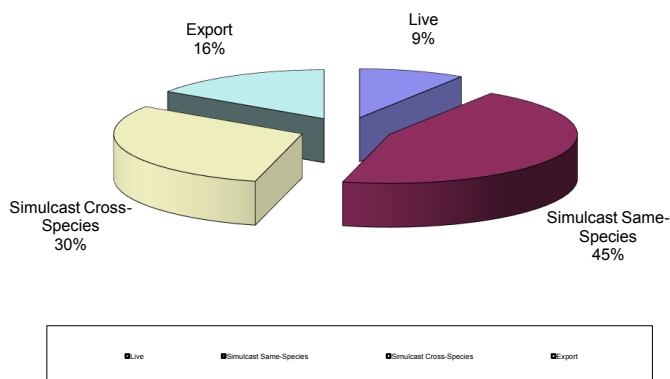


**Greyhound Racetrack Wagering Statistics  
Comparison Report on Total Wagers Placed  
in Texas & on Texas Races**

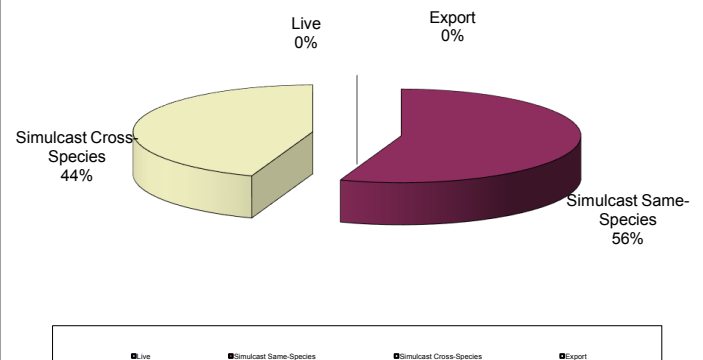
For the Period: 01/01/15 - 01/31/15 to 01/01/16 -01/31/16

		Year 2015		Year 2016		Percentage	
		01/01 - 01/31		01/01/ -01/31		Change In	
Sources of Wagers		# Days	Total Wagers	Avg. Wager	# Days	Total Wagers	Avg. Wager
Gulf Coast Racing							
Live	0	0	\$ -		0	0	\$ -
Simulcast Same-Species	23	748,776	\$ 32,555		24	598,117	\$ 24,922
Simulcast Cross-Species	23	337,914	\$ 14,692		24	316,092	\$ 13,171
Export	0	0	\$ -		0	0	\$ -
<b>Total Wagers</b>		1,086,691	N/A		914,209	N/A	-15.87%
Sources of Wagers		# Days	Total Wagers	Avg. Wager	# Days	Total Wagers	Avg. Wager
Gulf Greyhound Park							
Live	22	522,820	\$ 23,765		0	0	\$ -
Simulcast Same-Species	31	1,050,238	\$ 33,879		31	1,006,774	\$ 32,477
Simulcast Cross-Species	31	1,007,843	\$ 32,511		31	939,434	\$ 30,304
Export	22	896,364	\$ 40,744		0	0	\$ -
<b>Total Wagers</b>		3,477,265	N/A		1,946,208	N/A	-44.03%
Sources of Wagers		# Days	Total Wagers	Avg. Wager	# Days	Total Wagers	Avg. Wager
Valley Race Park							
Live	0	0	\$ -		0	0	\$ -
Simulcast Same-Species	27	779,751	\$ 28,880		27	546,750	\$ 20,250
Simulcast Cross-Species	27	400,726	\$ 14,842		27	469,592	\$ 17,392
Export	0	0	\$ -		0	0	\$ -
<b>Total Wagers</b>		1,180,477	N/A		1,016,343	N/A	-13.90%
Sources of Wagers		# Days	Total Wagers	Avg. Wager	# Days	Total Wagers	Avg. Wager
All Greyhound Racetracks							
Live	22	522,820	\$ 23,765		0	0	N/A
Simulcast Same-Species	81	2,578,765	\$ 31,837		82	2,151,641	\$ 26,240
Simulcast Cross-Species	81	1,746,483	\$ 21,562		82	1,725,119	\$ 21,038
Export	22	896,364	\$ 40,744		0	0	N/A
<b>Total Wagers</b>		5,744,432	N/A		3,876,760	N/A	-32.51%
<b>Total Wagers Placed in Texas</b>		4,848,068	N/A		3,876,760	N/A	-20.03%
<b>Total Wagers Placed on Texas Races</b>		1,419,185	N/A		0	N/A	-100.00%

**2015 Wagers by Source**



**2016 Wagers by Source**



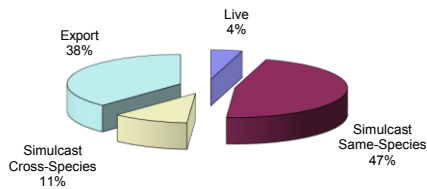


**Horse Racetrack Wagering Statistics**  
**Comparison Report on Total Wagers Placed**  
**in Texas & on Texas Races**

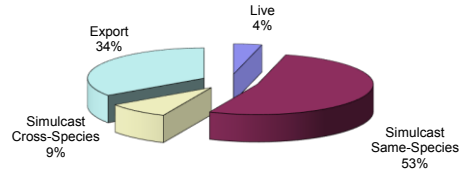
For the Period: 01/01/15 - 01/31/15 to 01/01/16 -01/31/16

<u>Sources of Wagers</u>	<b>Year 2015</b>				<b>Year 2016</b>				<b>Percentage</b>	
	<b>01/01 - 01/31</b>				<b>01/01/ -01/31</b>				<b>Change In</b>	
<u>Gillespie County Fair</u>	<u># Days</u>	<u>Total Wagers</u>	<u>Avg. Wager</u>	<u># Days</u>	<u>Total Wagers</u>	<u>Avg. Wager</u>	<u>Total Wagers</u>	<u>Avg. Wager</u>		
Live	0	0		0	0	\$ -	NA	NA		
Simulcast Same-Species	19	278,010	\$ 14,632	19	188,287	\$ 9,910	-32.27%	-32.27%		
Simulcast Cross-Species	19	39,355	\$ 2,071	19	25,557	\$ 1,345	-35.06%	-35.06%		
Export	0	0	\$ -	0	0	\$ -	N/A	N/A		
<b>Total Wagers</b>		<b>317,365</b>	<b>N/A</b>		<b>213,844</b>	<b>N/A</b>	<b>-32.62%</b>	<b>N/A</b>		
<b><u>Lone Star Park</u></b>										
Live	0	0		0	0	\$ -	NA	NA		
Simulcast Same-Species	31	7,777,256	\$ 250,879	31	8,221,408	\$ 265,207	5.71%	5.71%		
Simulcast Cross-Species	31	555,238	\$ 17,911	31	578,942	\$ 18,676	4.27%	4.27%		
Export	0	0	\$ -	0	0	\$ -	0.00%	0.00%		
<b>Total Wagers</b>		<b>8,332,494</b>	<b>N/A</b>		<b>8,800,350</b>	<b>N/A</b>	<b>5.61%</b>	<b>N/A</b>		
<b><u>Retama Park</u></b>										
Live	0	0		0	0	\$ -	NA	NA		
Simulcast Same-Species	31	2,191,305	\$ 70,687	31	2,772,530	\$ 89,436	26.52%	26.52%		
Simulcast Cross-Species	31	890,323	\$ 28,720	31	687,031	\$ 22,162	-22.83%	-22.83%		
Export	0	0	\$ -	0	0	\$ -	NA	NA		
<b>Total Wagers</b>		<b>3,081,629</b>	<b>N/A</b>		<b>3,459,561</b>	<b>N/A</b>	<b>12.26%</b>	<b>N/A</b>		
<b><u>Sam Houston Race Park</u></b>										
Live	5	1,348,082	\$ 269,616	10	1,245,682	\$ 124,568	-7.60%	-53.80%		
Simulcast Same-Species	31	3,888,017	\$ 125,420	30	5,569,723	\$ 185,657	43.25%	48.03%		
Simulcast Cross-Species	31	1,798,105	\$ 58,003	31	1,457,155	\$ 47,005	-18.96%	-18.96%		
Export	5	11,484,170	\$ 2,296,834	10	10,986,363	\$ 1,098,636	-4.33%	-52.17%		
<b>Total Wagers</b>		<b>18,518,373</b>	<b>N/A</b>		<b>19,258,923</b>	<b>N/A</b>	<b>4.00%</b>	<b>N/A</b>		
<b><u>All Horse Racetracks</u></b>										
Live	5	1,348,082	\$ 269,616	10	1,245,682	\$ 124,568	-7.60%	-53.80%		
Simulcast Same-Species	112	14,134,588	\$ 126,202	111	16,751,948	\$ 150,918	18.52%	19.59%		
Simulcast Cross-Species	112	3,283,020	\$ 29,313	112	2,748,686	\$ 24,542	-16.28%	-16.28%		
Export	5	11,484,170	\$ 2,296,834	10	10,986,363	\$ 1,098,636	N/A	-52.17%		
<b>Total Wagers</b>		<b>30,249,860</b>	<b>N/A</b>		<b>31,732,678</b>	<b>N/A</b>	<b>4.90%</b>	<b>N/A</b>		
<b>Total Wagers Placed in Texas</b>		<b>18,765,691</b>	<b>N/A</b>		<b>20,746,315</b>	<b>N/A</b>	<b>10.55%</b>	<b>N/A</b>		
<b>Total Wagers Placed on Texas Races</b>		<b>12,832,252</b>	<b>N/A</b>		<b>12,232,045</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>		

**2015 Wagers by Source**



**2016 Wagers by Source**



## **REGULATORY ACTIVITIES**

### **Sam Houston Race Park Thoroughbred Meet**

*Currently Sam Houston Race Park is the only racetrack conducting a live meet. Gulf Greyhound Park, Lone Star Park, Retama Park, Valley Race Park, Gulf Coast Racing and Gillespie County are conducting simulcast operations.*

**Sam Houston Race Park** – The Thoroughbred meet opened on Friday, January 15 and runs through March 8. As of February 1, no animal drug positives or unusual enforcement activities have been reported.

**Inspection Activities** – During the months of December 2015 and January 2016, ten inspections were conducted on race facilities and no unusual issues were detected.

# Texas Racing Commission

## Report on Racetrack Inspection Activities

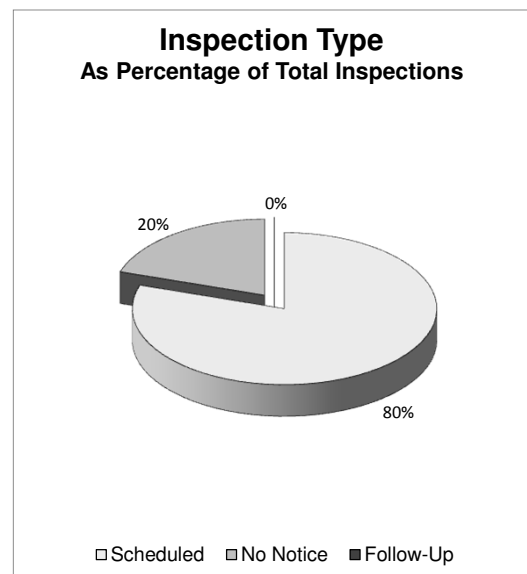
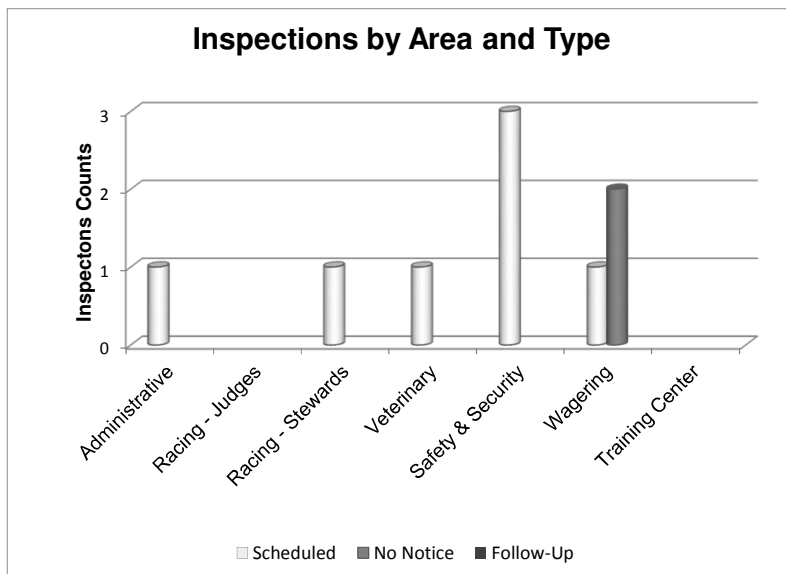
### February 9, 2016

Summary of Inspections Performed For the Period of December 1, 2015 through January 31, 2016					
Track	Area of Inspection	Date of Inspection	Number of Unsatisfactory Items	Track Remediation	Remaining Unsatisfactory Items
Sam Houston Race Park	Racing	1/15/2016	0		
	Security	1/15/2016	0		
	Veterinary	1/15/2016	0		
Valley Race Park	Wagering	12/9/2015	0		
	Administrative	12/9/2015	0		
	Security	12/9/2015	0		
Retama Park	Wagering	12/4/2015	0		
Gillespie Co. Race Barn	Wagering	12/3/2015	0		
Oak Leaf Training Center	Security	1/20/2016	0		
Diamond D Ranch	Security	1/19/2016	0		

Inspection Counts by Area and Type				
Area of Inspection	Scheduled	No Notice	Follow-Up	Totals
Administrative	1			1
Racing - Judges				
Racing - Stewards	1			1
Veterinary	1			1
Safety & Security	4			4
Wagering	1	2		3
Training Center				
<b>TOTAL INSPECTIONS</b>	<b>8</b>	<b>2</b>		<b>10</b>

#### Important Notes Regarding Inspections at Racetracks:

- 1) Scheduled inspections typically occur before the beginning of each race meet. No Notice inspections typically are planned to occur during the middle of a meet, but may occur at any time.
- 2) Follow-Up inspections are performed when a Scheduled or No Notice inspection identifies an unsatisfactory item. The Follow-Up inspection is performed after the association has had an opportunity to remedy any unsatisfactory item initially reported.



# TEXAS RACING COMMISSION COMMITTEE ON RULES

Date of  
Request:

06/01/2015  
Updated 8/18/2015  
Updated 12/8/2015

## *Request for Proposed Change to an Existing Rule or Addition of a New Rule to the Rules of Racing*

Please submit this information to the attention of the Executive Director *at least 14 days* in advance of the next scheduled Committee on Rules meeting. An electronic form is available to assist in your submission or feel free to add additional pages as necessary in order to provide as much detail as possible. Filing this request does not guarantee that your proposal will be considered by the Committee on Rules.

Texas Racing Commission  
8505 Cross Park Drive, Suite 110  
Austin, TX 78754-4552  
Phone: 512/833-6699 Fax: 512-833-6907  
E-mail: [info@txrc.texas.gov](mailto:info@txrc.texas.gov)

### Contact Information:

Name:	Staff – Legal	Phone(s):	512-833-6699
E-mail address:	mark.fenner@txrc.texas.gov	Fax number:	512-833-6907
Mailing address:			

Check appropriate box(es):

<input type="checkbox"/>	Personal Submission <i>OR</i>
<input checked="" type="checkbox"/>	Submission on Behalf of <u>Texas Racing Commission</u>

(Name of Organization)

<input checked="" type="checkbox"/>	Proposed Change to (if known):	Chapter: <u>301</u>	Rule: <u>1</u>
<input type="checkbox"/>	Proposed Addition to (if known):	Chapter: <u>303</u>	Rule: <u>31, 42</u>
	Other Rules Affected by Proposal (if any):	Chapter: <u>309</u>	Rule: <u>297, 299, 361</u>
		Chapter: <u>321</u>	Rule: <u>5, 12, 13, 23, 25, 27</u>
			<u>701, 703, 705, 707, 709, 711, 713, 715, 717, 719</u>
	Repeal of:	Chapter: <u>321</u>	Rule: <u>709, 711, 713, 715, 717, 719</u>
	:		

Statutory Authority for Proposed Change: SS 3.02, 3.021, 8.02, 11.01

## **A. Brief Description of the Issue**

The 261st District Court of Travis County has ruled that the rules relating to historical racing exceeded the Commission's authority. The Commission has not appealed the decision, therefore it cannot take any action under those rules.

## **B. Discussion of the Issue and Problem**

The continued existence of the invalidated rules creates confusion among some as to the Commission's intent going forward. Further, a number of necessary rules were amended in order to address historical racing, so any reference to historical racing in those rules calls their legitimacy into question.

## **C. Possible Solutions and Impact**

The following rules pre-existed the historical racing effort. They are necessary, so they should be amended and retained.

- § 301.1, Definitions
- § 303.31, Regulation of Racing
- § 303.42, Approval of Charity Race Days
- § 309.297, Purse Accounts
- § 309.299, Horsemen's Representative
- § 309.361, Greyhound Purse Account and Kennel Account
- § 321.5, Pari-Mutuel Auditor
- § 321.12, Time Synchronization
- § 321.13, Pari-Mutuel Track Report
- § 321.23, Wagering Explanations
- § 321.25, Wagering Information
- § 321.27, Posting of Race Results

The rules within Chapter 321, Subchapter F, Regulation of Historical Racing, may be repealed in their entirety.

## **D. History / Support and Opposition**

### **June 9, 2015**

At its meeting on June 9, 2015, the Commission voted to publish the proposed amendments and repeals for public comment, and they subsequently appeared in the June 26, 2015 edition of the *Texas Register*.

Staff received nearly 1,300 public comments in response to the publication, all but four of which were in opposition to the repeal of the historical racing rules. Most comments were in the form of form letters, emails, and petition signatures. In addition, there were comments from legislators, organizations, and racetracks.

Staff received five comments from state legislators, one of which explicitly supported historical racing. The remaining four letters from legislators did not explicitly support historical racing, but they opposed making any connection between the agency's funding and its decision on the proposed repeal.

Staff received five letters opposing repeal from industry organizations: the Texas Greyhound Association; the Texas Thoroughbred Association; the Texas Horsemen's Partnership; the Jockeys' Guild; and a legal brief on behalf of the Texas Thoroughbred HBPA. Staff also received letters in opposition to repeal from Sam Houston Race Park and Gulf Greyhound Park.



Staff received three letters supporting the repeal of historical racing from three non-industry organizations: the Kickapoo Traditional Tribe of Texas; a representative of 300 organizations licensed to conduct charitable bingo; and Grey2K USA.

Staff prepared a separate compilation of these comments and provided it to the Commissioners. This compilation was also made available on the agency's website.

#### August 25, 2015

At its meeting on August 25, 2015, the Commission considered the repeal of the historical racing rules. Several members of the racing industry spoke in opposition to the repeal. One representative of the American Legion, Department of Texas, spoke in favor of the repeal. These comments are available in the meeting transcript, which is published on the agency's website.

Following discussion by the Commission, Commissioner Michael Martin moved to withdraw the proposal to repeal the historical rules, which was seconded by Commissioner Aber. This motion failed on a vote of four in favor of the motion, three in opposition, and one abstention. (Commission Rule 303.5 provides that a motion before the Commission is carried by an affirmative vote of the majority of the commissioners present at the meeting. Since eight commissioners were present, a motion required five affirmative votes in order to carry.) Commissioner Leon then moved to repeal the rules, which was seconded by Chairman Schmidt. This motion failed on a vote of three in favor, four in opposition, and one abstention. At this conclusion of this vote, the meeting was adjourned.

#### December 15, 2015

At its meeting on December 15, 2015, the Commission again considered the repeal of the historical racing rules. Several members of the racing industry spoke in opposition to the repeal. One representative of the Christian Life Commission of the Baptist General Convention of Texas spoke in favor of the repeal. These comments are available in the meeting transcript, which is published on the agency's website.

Following discussion by the Commission, Commissioner Margaret Martin moved to adopt the proposal to repeal the historical rules, which was seconded by Commissioner Leon. This motion failed on a vote of four in favor of the motion, four in opposition, and one abstention.

The Commission then voted unanimously to withdraw the existing historical racing proposals and to republish the proposed repeal of historical racing in the *Texas Register* for public comment. This allows the Commission to reconsider the proposed repeal of the historical racing rules at its February 2016 meeting.

#### Current Status

The proposed repeal of the historical racing rules was published in the January 1, 2016, edition of the *Texas Register*. During the public comment period, the Commission received almost 1,000 comments. One comment, from the Kickapoo Tradition Tribe of Texas, supported repeal. The remaining comments were in opposition to the repeal. A compilation of these comments will be provided separately to the Commissioners and made available on the agency's website. The proposed repeal is now eligible for the Commission's consideration at the February 2016 meeting.

#### **F. Proposals**

See next pages.

**TITLE 16. ECONOMIC REGULATION**  
**PART 8. TEXAS RACING COMMISSION**  
**CHAPTER 301. DEFINITIONS**

**Sec. 301.1. Definitions.**

(a) (No change.)

(b) The following words and terms, when used in this part, shall have the following meanings, unless the context clearly indicates otherwise:

(1) - (31) (No change.)

~~(32) Historical racing--to present for pari-mutuel wagering, through a totalisator system that meets the requirements of Chapter 321, Subchapter F of this title (relating to Regulation of Historical Racing), a previously run horse or greyhound race that was:~~

~~(A) authorized by the commission or by another racing jurisdiction;~~

~~(B) concluded with official results and without scratches, disqualifications or dead-heat finishes; and~~

~~(C) recorded by video, film, electronic, or similar means of preservation.~~

(32) [~~(33)~~] Horse--an equine of any breed, including a stallion, gelding, mare, colt, filly, or ridgling.

(33) [~~(34)~~] Horse Race--a running contest between horses for entry fees, purse, prize, or other reward, including the following:

(A) Claiming race--a race in which a horse may be claimed in accordance with the Rules.

(B) Derby race--a race in which the first condition of eligibility is to be three years old.

(C) Futurity race--a race in which the first condition of eligibility is to be two years old.

**TITLE 16. ECONOMIC REGULATION**

**PART 8. TEXAS RACING COMMISSION**

**CHAPTER 301. DEFINITIONS**

1           (D) Guaranteed race--a race for which the association  
2           guarantees by its conditions a specified purse, which is  
3           the limit of its liability.

4           (E) Handicap race--a race in which the weights to be  
5           carried by the entered horses are adjusted by the racing  
6           secretary for the purpose of equalizing their respective  
7           chances of winning.

8           (F) Match race--a race between only two horses that  
9           are owned by different owners.

10          (G) Maturity race--a race in which the first condition  
11          of eligibility is to be four years of age or older.

12          (H) Optional claiming race--a claiming race in which  
13          there is an option to have horses entered to be claimed for  
14          a stated price or not eligible to be claimed.

15          (I) Progeny race--a race restricted to the offspring  
16          of a specific stallion or stallions.

17          (J) Purse or overnight race--a race for which owners  
18          of horses entered are not required by its conditions to  
19          contribute money toward its purse.

20          (K) Stakes race--a race to which nominators of the  
21          entries contribute to a purse.

22          (L) Starter race--an overnight race under allowance or  
23          handicap conditions, restricted to horses which have  
24          previously started for a designated claiming price or less,  
25          as stated in the conditions of the race.

26          (M) Walkover race--a stakes race in which only one  
27          horse starts or all the starters are owned by the same  
28          interest.

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(N) Weight for age race--a race in which weights are assigned in keeping with the scale of weights in these rules.

(34) [~~(35)~~] In today horse--a horse that is in the body of a race program which is entered into a race on the next consecutive race day.

(35) [~~(36)~~] Kennel area--an area on association grounds for the boarding or training of greyhounds.

(36) [~~(37)~~] Lead out--an individual who handles a greyhound from the lockout kennel to the starting box.

(37) [~~(38)~~] Locked in the gate--a horse or greyhound that is prevented from leaving the starting gate or box due to the failure of the front door of the gate or box to open simultaneously with the other doors.

(38) [~~(39)~~] Lure--a mechanical apparatus at a greyhound racetrack consisting of a stationary rail installed around the track, a motorized mechanism that travels on the rail, and a pole that is attached to the mechanism and extends over the track, and to which a decoy is attached.

(39) [~~(40)~~] Maiden--a horse or greyhound that has never won a race at a recognized race meeting authorized by the Commission or by another racing jurisdiction.

(40) [~~(41)~~] Minus pool--a pool in which there are insufficient net proceeds to pay the minimum price to holders of the winning tickets.

(41) [~~(42)~~] Mutuel field--a group of horses joined as a single betting interest in a race due to the limited numbering capacity of the totalisator.

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1       (42) [~~(43)~~] No race--a race that is canceled after being  
2 run due to a malfunction of the starting gate or box or any  
3 other applicable reason as determined by the Rules.

4       (43) [~~(44)~~] Nominator--the person in whose name a horse or  
5 greyhound is entered for a race.

6       (44) [~~(45)~~] Occupational licensee--an individual to whom  
7 the Commission has issued a license to participate in racing  
8 with pari-mutuel wagering.

9       (45) [~~(46)~~] Odds--a number indicating the amount of profit  
10 per dollar wagered to be paid to holders of winning pari-mutuel  
11 tickets.

12       (46) [~~(47)~~] Off time--the moment when, on signal from the  
13 starter, the horses or greyhounds break from the starting gate  
14 or box and run the race.

15       (47) [~~(48)~~] Paddock--the area in which horses or greyhounds  
16 gather immediately before a race.

17       (48) [~~(49)~~] Patron--an individual present on association  
18 grounds during a race meeting who is eligible to wager on the  
19 racing.

20       (49) [~~(50)~~] Pecuniary interest--includes a beneficial  
21 ownership interest in an association, but does not include bona  
22 fide indebtedness or a debt instrument of an association.

23       (50) [~~(51)~~] Performance--the schedule of horse or greyhound  
24 races run consecutively as one program. A greyhound performance  
25 consists of fifteen or fewer races unless approved by the  
26 executive secretary.

27       (51) [~~(52)~~] Photofinish--the system of recording pictures  
28 or images of the finish of a race to assist in determining the  
29 order of finish.

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1       (52) [~~(53)~~] Place--to finish second in a race.

2       (53) [~~(54)~~] Post position--the position assigned to a horse  
3 or greyhound in the starting gate or box.

4       (54) [~~(55)~~] Post time--the time set for the arrival at the  
5 starting gate or boxes by the horses or greyhounds in a race.

6       (55) [~~(56)~~] Purse--the cash portion of the prize for a  
7 race.

8       (56) [~~(57)~~] Race date--a date on which an association is  
9 authorized by the Commission to conduct races.

10      (57) [~~(58)~~] Race day--a day in which a numerical majority  
11 of scheduled races is conducted and is a part of the  
12 association's allocated race days.

13      (58) [~~(59)~~] Race meeting--the specified period and dates  
14 each year during which an association is authorized to conduct  
15 racing and/or pari-mutuel wagering by approval of the  
16 Commission.

17      (59) [~~(60)~~] Racetrack facility--the buildings, structures  
18 and fixtures located on association grounds used by an  
19 association to conduct horse or greyhound racing.

20      (60) [~~(61)~~] Racetrack official--an individual appointed or  
21 approved by the Commission to officiate at a race meeting.

22      (61) [~~(62)~~] Racing judge--the executive racing official at  
23 a greyhound track.

24      (62) [~~(63)~~] Reasonable belief--a belief that would be held  
25 by an ordinary and prudent person in the same circumstances as  
26 the actor.

27      (63) [~~(64)~~] Recognized race meeting--a race meeting held  
28 under the sanction of a turf authority.

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1        (64) [~~+65+~~] Refunded ticket--a pari-mutuel ticket that has  
2        been refunded for the value of a wager that is no longer valid.

3        (65) [~~+66+~~] Rule off--to bar an individual from the  
4        enclosure of an association and to deny all racing privileges to  
5        the individual.

6        (66) [~~+67+~~] Rules--the rules adopted by the Texas Racing  
7        Commission found in Title 16, Part VIII of the Texas  
8        Administrative Code.

9        (67) [~~+68+~~] Schooling race--a practice race conducted under  
10       actual racing conditions but for which wagering is not  
11       permitted.

12       (68) [~~+69+~~] Scratch--to withdraw an entered horse or  
13       greyhound from a race after the closing of entries.

14       (69) [~~+70+~~] Scratch time--the closing time set by an  
15       association for written requests to withdraw from a race.

16       (70) [~~+71+~~] Show--to finish third in a race.

17       (71) [~~+72+~~] Specimen--a bodily substance, such as blood,  
18       urine, or saliva, taken for analysis from a horse, greyhound, or  
19       individual in a manner prescribed by the Commission.

20       (72) [~~+73+~~] Stakes payments--the fees paid by subscribers  
21       in the form of nomination, entry, or starting fees to be  
22       eligible to participate.

23       (73) [~~+74+~~] Stallion owner--a person who is owner of  
24       record, at the time of conception, of the stallion that sired  
25       the accredited Texas-bred horse.

26       (74) [~~+75+~~] Starter--a horse or greyhound entered in a race  
27       when the doors of the starting gate or box open in front of the  
28       horse or greyhound at the time the official starter dispatches  
29       the horses or greyhounds.

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1        (75) [~~(76)~~] Straight pool--a mutuel pool that involves  
2 wagers on a horse or greyhound to win, place, or show.

3        (76) [~~(77)~~] Subscription--money paid to nominate, enter, or  
4 start a horse or greyhound in a stakes race.

5        (77) [~~(78)~~] Tack room--a room in the stable area of a horse  
6 racetrack in which equipment for training and racing the horses  
7 is stored.

8        (78) [~~(79)~~] Totalisator--a machine or system for  
9 registering and computing the wagering and payoffs in pari-  
10 mutuel wagering.

11       (79) [~~(80)~~] Tote board--a facility at a racetrack that is  
12 easily visible to the public on which odds, payoffs,  
13 advertising, or other pertinent information is posted.

14       (80) [~~(81)~~] Tote room--the room in which the totalisator  
15 equipment is maintained.

16       (81) [~~(82)~~] Tout--an individual licensed to furnish  
17 selections on a race in return for a set fee.

18       (82) [~~(83)~~] Trial--a race designed primarily to determine  
19 qualifiers for finals of a stakes race.

20       (83) [~~(84)~~] Uplink--an earth station broadcasting facility,  
21 whether mobile or fixed, which is used to transmit audio-visual  
22 signals and/or data emanating from a sending racetrack, and  
23 includes the electronic transfer of received signals from the  
24 receiving antenna to TV monitors within the receiving location.

25       (84) [~~(85)~~] Weigh in--the process by which a jockey is  
26 weighed after a race or by which a greyhound is weighed before  
27 being placed in the lockout kennel.

28       (85) [~~(86)~~] Weighing in weight--the weight of a greyhound  
29 on weighing in to the lockout kennel.



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1       (86) [~~+87+~~] Weigh out--the process by which a jockey or  
2 greyhound is weighed before a race.

3       (87) [~~+88+~~] Weighing out weight--the weight of a greyhound  
4 on weighing out of the lockout kennel immediately before post  
5 time for the race in which the greyhound is entered.

6       (88) [~~+89+~~] Win--to finish first in a race.

7       (89) [~~+90+~~] Winner--

8           (A) for horse racing, the horse whose nose reaches the  
9 finish line first, while carrying the weight of the jockey  
10 or is placed first through disqualification by the  
11 stewards; and

12           (B) for greyhound racing, the greyhound whose muzzle,  
13 or if the muzzle is lost or hanging, whose nose reaches the  
14 finish line first or is placed first through  
15 disqualification by the judges.

16       (90) [~~+91+~~] Active license--a racetrack license designated  
17 by the commission as active.

18       (91) [~~+92+~~] Inactive license--a racetrack license  
19 designated by the commission as inactive.

## CHAPTER 303. GENERAL PROVISIONS

### SUBCHAPTER B. POWERS AND DUTIES OF THE COMMISSION

#### 1   **Sec. 303.31.   Regulation of Racing**

2   The commission shall regulate each live and simulcast race  
3   meeting conducted in this state and supervise the operation of  
4   racetracks and the persons other than patrons who participate in  
5   a race meeting.

#### 7   **Sec. 303.42.   Approval of Charity Race Days.**

8   (a) An association shall conduct charity days as required by the  
9   Act. A greyhound association shall conduct at least five charity  
10   race days each year. A Class 1 or Class 2 horse racetrack [~~that~~  
11   ~~is not conducting historical racing~~] shall conduct at least two  
12   and not more than five charity race days each year. [~~A Class 1~~  
13   ~~or Class 2 horse racetrack that is conducting historical racing~~  
14   ~~shall conduct at least three and not more than five charity race~~  
15   ~~days each year.~~]

16   (b) An association shall apply to the commission not later than  
17   July 1 of each year for charity race dates to be conducted in  
18   the next calendar year. [~~During each application period in which~~  
19   ~~an association applies for live race dates, the association~~  
20   ~~shall also apply for charity race dates as necessary to comply~~  
21   ~~with subsection (a) of this section.~~] The application must be in  
22   writing and contain:

23       (1) - (4) (No change.)

24   (c) An association shall pay to the charity at least 2.0% of the  
25   total pari-mutuel handle generated at the association's  
26   racetrack on live races and imported simulcast races on the  
27   charity race day.

28   (d) [~~Charities.~~]

29       [~~(1)~~] At least one of the charity days must be conducted  
30   for a [~~percent of the pari-mutuel handle from live racing and~~

## CHAPTER 303. GENERAL PROVISIONS

### SUBCHAPTER B. POWERS AND DUTIES OF THE COMMISSION

~~simuleasting on charity racing days shall be contributed to a]~~  
charity that directly benefits the persons who work in the  
stable or kennel area of the racetrack. At least one of the  
charity days must be conducted for [~~and at least one percent~~  
~~shall be contributed to]~~ a charity that primarily benefits  
research into the health or safety of race animals.

~~[(2) For a horse racing association conducting historical~~  
~~racing, at least 1.5% of the pari-mutuel handle from historical~~  
~~racing on charity racing days shall be contributed to a charity~~  
~~that directly funds veterinary research beneficial to promoting~~  
~~the health and soundness of horses; and at least one-half of one~~  
~~percent of the pari-mutuel handle from historical racing on~~  
~~charity racing days shall be contributed to a charity that~~  
~~facilitates youth participation in equestrian sports and~~  
~~activities.]~~

~~[(3) For a greyhound association conducting historical~~  
~~racing, at least two percent of the pari-mutuel handle from~~  
~~historical racing on charity racing days shall be contributed to~~  
~~a charity that provides for the medical care and rehabilitation~~  
~~of injured greyhounds.]~~

## CHAPTER 309. RACETRACK LICENSES AND OPERATIONS

### SUBCHAPTER A. RACETRACKS LICENSES

#### DIVISION 1. GENERAL PROVISIONS

##### **Sec. 309.8. Racetrack License Fees.**

(a) Purpose of Fees. An association shall pay a license fee to the Commission to pay the Commission's costs to administer and enforce the Act, and to regulate, oversee, and license live and simulcast racing [~~and pari-mutuel wagering~~] at racetracks.

(b) Annual License Fee.

(1) (No change.)

(2) An association that is conducting live racing[~~historical racing~~] or simulcasting shall pay its annual license fee by remitting to the Commission 1/12th of the fee on the first business day of each month.

(3) An association that is not conducting live racing[~~historical racing~~] or simulcasting shall pay its annual license fee in four equal installments on September 1, December 1, March 1, and June 1 of each fiscal year.

(c) (No change.)

## CHAPTER 309. RACETRACK LICENSES AND OPERATIONS

### SUBCHAPTER C. HORSE RACETRACKS

#### DIVISION 4. OPERATIONS

##### **Sec. 309.297. Purse Accounts.**

(a) All money required to be set aside for purses, whether from wagering on live races or on simulcast wagering, are trust funds held by an association as custodial trustee for the benefit of horsemen. No more than three business days after the end of each week's wagering, the association shall deposit the amount set aside for purses into purse accounts maintained as trust accounts for the benefit of horsemen by breed by the horsemen's organization in one or more federally or privately insured depositories.

(b) - (f) (No change.)

##### **Sec. 309.299. Horsemen's Representative.**

(a) Findings. The Commission finds a need for horse owners and trainers to negotiate and covenant with associations as to the conditions of live race meetings, the distribution of purses not governed by statute, simulcast transmission and reception, and other matters relating to the welfare of the owners and trainers participating in live racing at an association. To ensure the uninterrupted, orderly conduct of racing in this state, the Commission shall recognize one organization to represent horse owners and trainers on matters relating to the conduct of live racing and simulcasting at Texas racetracks.

(b) (No change.)

(c) Authority and Responsibilities.

(1) An organization recognized under this section shall negotiate with each association regarding the association's live racing program, including but not limited to the allocation of purse money to various live races, the exporting of simulcast

**CHAPTER 309. RACETRACK LICENSES AND OPERATIONS**

**SUBCHAPTER C. HORSE RACETRACKS**

**DIVISION 4. OPERATIONS**

- 1 signals, [~~issues related to historical racing,~~] and the
- 2 importing of simulcast signals during live race meetings.
- 3 (2) - (6) (No change.)

CHAPTER 309. RACETRACK LICENSES AND OPERATIONS

SUBCHAPTER D. GREYHOUND RACETRACKS

DIVISION 2. OPERATIONS

**Sec. 309.361. Greyhound Purse Account and Kennel Account.**

(a) Greyhound Purse Account.

(1) All money required to be set aside for purses, whether from wagering on live races or simulcast races, are trust funds held by an association as custodial trustee for the benefit of kennel owners and greyhound owners. No more than three business days after the end of each week's wagering, the association shall deposit the amount set aside for purses into a greyhound purse account maintained in a federally or privately insured depository.

(2) (No change.)

(b) (No change.)

(c) The Texas Greyhound Association ("TGA") shall negotiate with each association regarding the association's live racing program, including but not limited to the allocation of purse money to various live races, the exporting of simulcast signals, ~~[issues related to historical racing,~~ and the importing of simulcast signals during live race meetings.

(d) - (f) (No change.)

## CHAPTER 321. PARI-MUTUEL WAGERING

### SUBCHAPTER A. MUTUEL OPERATIONS

#### DIVISION 1. GENERAL PROVISIONS

##### **Sec. 321.5. Pari-mutuel Auditor.**

(a) (No change.)

(b) The pari-mutuel auditor shall verify the wagering pool totals for each live and simulcast performance [~~and any historical racing pools~~]. The pari-mutuel auditor's verification of the pool totals is the basis for computing the amount of money to be set aside from each pool for the following:

(1) - (6) (No change.)

(c) (No change.)

##### **Sec. 321.12. Time Synchronization.**

(a) Display and verification of the accurate off time and start of a [~~live or simulcast~~] race is critical. To ensure accurate verification of off time with the close of betting on all [~~live and simulcast~~] races, the association shall ensure:

(1) - (3) (No change.)

(b) (No change.)

##### **Sec. 321.13. Pari-mutuel Track Report.**

(a) Daily Pari-Mutuel Summary Report.

(1) - (3) (No change.)

(4) The report must contain, by each live and simulcast performance[, ~~and for each day historical racing is conducted~~], the following:

(A) - (D) (No change.)

(E) all purses earned, broken out by source, such as live, [~~historical racing,~~] simulcast, cross species, and export;

(F) - (H) (No change.)

(b) (No change.)



**CHAPTER 321. PARI-MUTUEL WAGERING**

**SUBCHAPTER A. MUTUEL OPERATIONS**

**DIVISION 2. WAGERING INFORMATION AND RESULTS**

**Sec. 321.23. Wagering Explanations.**

(a) (No change.)

~~[(b) Historical racing terminals operated by an association must provide:]~~

~~[(1) an explanation of the rules of the various types of wagers offered through that terminal; and]~~

~~[(2) information about the expiration date of vouchers issued by the terminal, which must be printed on the vouchers.]~~

(b) ~~[(e)]~~ Wagering explanations must be reviewed and approved by the executive secretary before publication.

**Sec. 321.25. Wagering Information.**

(a) - (c) (No change.)

~~[(d) Wagering information for historical racing must be audited by an independent third party approved by the executive secretary before the information is displayed or wagers taken on the associated race.]~~

**Sec. 321.27. Posting of Race Results.**

An association shall submit to the executive secretary for approval a plan for providing live and simulcast race results to the wagering public. The plan must include:

(1) methods by which the results will be provided;

(2) types of results to be provided; and

(3) the retention period of the race results.

## CHAPTER 321. PARI-MUTUEL WAGERING

1 REPEAL OF THE FOLLOWING SUBCHAPTER AND RULES

2  
3 SUBCHAPTER F. REGULATION OF HISTORICAL RACING

4 Sec. 321.701. Purpose

5 Sec. 321.703. Historical Racing

6 Sec. 321.705. Request to Conduct Historical Racing

7 Sec. 321.707. Requirements for Operating a Historical Racing

8 Totalisator System

9 Sec. 321.709. Types of Pari-Mutuel Wagers for Historical Racing

10 Sec. 321.711. Historical Racing Pools; Seed Pools

11 Sec. 321.713. Deductions from Pari-Mutuel Pools

12 Sec. 321.715. Contract Retention, Pari-Mutuel Wagering Record

13 Retention

14 Sec. 321.717. Effect of Conflict

15 Sec. 321.719. Severability